

The House Committee on Rules offers the following substitute to SB 117:

A BILL TO BE ENTITLED
AN ACT

To amend Title 47 of the Official Code of Georgia Annotated, relating to retirement and pensions, so as to prohibit the passage of any law, rule, or regulation that allows for creditable service in a retirement system that does not require an individual to pay the full actuarial cost of obtaining such creditable service; to revise certain existing laws that do not have such a requirement; to restrict the amendment of certain existing laws; to exclude any local retirement system that is not legislatively controlled and the Georgia Municipal Employees Benefit System from such requirements and restrictions; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 47 of the Official Code of Georgia Annotated, relating to retirement and pensions, is amended by revising Code Section 47-2-280, relating to credit for previous service as an employee of the Peace Officers' Annuity and Benefit Fund and contributions, as follows:

"47-2-280.

Anything in this chapter to the contrary notwithstanding, any member with prior service credits who previously was employed by the Peace Officers' Annuity and Benefit Fund shall be eligible to receive credit for such service with the Peace Officers' Annuity and Benefit Fund by paying the regular employer and employee's contribution, including regular interest that would have accumulated on those contributions during such period of employment. In the computation of such contributions and interest, the compensation of such member shall be deemed to have been the same as the compensation such member received on the date of first becoming a member; provided, however, that an individual who first or again becomes a member on or after July 1, 2019, shall pay the full actuarial cost associated with obtaining such creditable service."

62 termination of his or her membership, the board of trustees may approve a leave of
 63 absence for study purposes in addition to the normal four-year break in service which the
 64 member could otherwise take, so that the combined break in service does not exceed six
 65 years. Such study leave shall be continuous. In no event shall such a member's account
 66 remain in an active status for longer than six consecutive years for such purpose.

67 (2) A member who undertakes full-time graduate study designed to advance or improve
 68 his or her training or abilities as a teacher is entitled to receive creditable service for a
 69 period of graduate study under the following conditions:

70 (A) The member must have been a full-time teacher in the public schools of this state
 71 or in the University System of Georgia under the board of regents immediately prior to
 72 the period of graduate study. Any such period of graduate study interrupted solely for
 73 a period of active duty military service begun during a period in which the military draft
 74 is in effect shall be deemed not to have been interrupted for purposes of this
 75 subparagraph;

76 (B) The member must submit a transcript or similar document to the retirement system
 77 as verification of the graduate study pursued;

78 (C) The member must return to full-time employment as a teacher in the public schools
 79 of this state or in the University System of Georgia under the board of regents for a
 80 minimum of five years following such period of graduate study; and

81 (D)(i) For an individual who became a member prior to July 1, 2019, and who did not
 82 withdraw his or her accumulated contributions on or after July 1, 2019, the ~~The~~
 83 member must pay the appropriate member contributions plus applicable accrued
 84 interest in accordance with regulations adopted by the board of trustees on the basis
 85 of the salary ~~the member~~ he or she was receiving for full-time employment as a
 86 teacher immediately prior to the period of graduate study; ~~and (E) Either the~~
 87 member's present employer or the member must pay the appropriate employer
 88 contributions and applicable accrued interest thereon if the source of funds from
 89 which the member was paid immediately prior to his or her period of graduate study
 90 was other than state funds; or

91 (ii) For an individual who first becomes a member on or after July 1, 2019, the
 92 member must pay to the retirement system an amount equal to the full actuarial cost
 93 of obtaining such creditable service.

94 (3) The foregoing provisions of this subsection shall apply to periods of graduate study
 95 heretofore and hereafter granted, but nothing contained in this subsection shall be
 96 construed to rescind any creditable service granted prior to July 1, 1981, pursuant to this
 97 subsection or its predecessors."

SECTION 3.

Said title is further amended by revising subsection (b) of Code Section 47-3-63, relating to membership of full-time public school support personnel, employee and employer contributions, and creditable service, as follows:

"(b) Members (1) who were previously eligible for membership in the Public School Employees Retirement System and whose duties were or have been changed in such a manner so as to have made them eligible for membership in the Teachers Retirement System of Georgia and (2) any personnel specified in subsection (a) of this Code section who elect to become members of the Teachers Retirement System of Georgia shall be permitted to establish credit for service rendered in a public school system prior to the date such employees become or became members of the Teachers Retirement System of Georgia, provided that such service would be or would have been normally allowable as creditable service under the Public School Employees Retirement System; provided, further, that such members must pay the employee contributions on the salary earned by such members during the years of service sought to be so established, plus applicable accrued regular interest compounded annually to the dates of payment at the rates adopted by the board of trustees. Such members or the local boards of education by which the members are employed at the time the service is established shall pay the employer contributions on the earnable compensation of such members that would have been paid to the Teachers Retirement System of Georgia, plus applicable accrued regular interest compounded annually to the dates of payment at the rates adopted by the board of trustees, and such members who first become members on or after July 1, 2019, shall also pay any additional amount necessary to cover the full actuarial cost associated with obtaining such creditable service."

SECTION 4.

Said title is further amended by revising subsections (a) and (d) of Code Section 47-3-83, relating to service credit for active duty service in the armed forces of the United States and limitations on credit for such service if used to obtain other state or federal retirement benefits, as follows:

"(a) Any person who was on active duty in the armed forces of the United States during World War I, World War II, the Korean War, or any period of national emergency may receive up to five years of service credit for such military service under the following conditions:

- (1) Prior service credit shall be awarded at no cost to the member for any period of military service prior to January 1, 1945; and

(2) Membership service credit shall be awarded for any period of active military service performed after January 1, 1945, upon payment by the member of the regular employee contribution of:

(A) Five percent on the earnable compensation last paid to him as a teacher before entering military service or if he was not a teacher prior to entering military service 5 percent on the earnable compensation first paid to him as a teacher after returning from military service, whichever the case may be, plus applicable accrued regular interest on such employee contributions, compounded annually to date of payment, for any period of active military service between January 1, 1945, and July 1, 1961; ~~and~~

(B) Six percent on the earnable compensation last paid to him as a teacher before entering military service or if he was not a teacher prior to entering military service 6 percent on the earnable compensation first paid to him as a teacher after returning from military service, whichever the case may be, plus applicable accrued regular interest on such employee contributions, compounded annually to date of payment, for any period of active military service subsequent to July 1, 1961; and

(C) An amount equal to the full actuarial cost of obtaining such creditable service for an individual who first becomes a member on or after July 1, 2019; provided, however, that the provisions of Code Section 47-1-62 shall control for returning veterans covered by such Code section."

"(d) In addition to creditable service authorized by subsections (a) and (b) of this Code section, but subject to the limitations of subsection (c) of this Code section, a member who was on active duty in the armed forces of the United States during any period when a military draft was in effect and who was honorably discharged from military service may receive credit for such military service under the following conditions:

(1) The total amount of creditable service for military service which may be received under all provisions of this Code section may not exceed five years;

(2)(A) For an individual who became a member prior to July 1, 2019, and did not withdraw his or her accumulated contributions on or after July 1, 2019, the ~~The~~ member shall pay to the board of trustees the regular employee and employer contributions which would have been paid during the period for which creditable service is claimed based on the compensation of the member upon first becoming a teacher after the completion of the military service plus applicable accrued regular interest on such employee and employer contributions compounded annually to date of payment; or

(B) For any individual who first becomes a member on or after July 1, 2019, or withdraws his or her accumulated contributions on or after July 1, 2019, the member shall pay the full actuarial cost associated with obtaining such creditable service; and

(3) No creditable service for military service may be obtained pursuant to the authority of this subsection if creditable service for the same military service has been or may be obtained under subsection (a) or (b) of this Code section."

SECTION 5.

Said title is further amended by revising Code Section 47-3-84, relating to credit for service rendered by members who have breaks in membership and payments required to obtain such credit, as follows:

"47-3-84.

(a) Any provision of this chapter to the contrary notwithstanding, any teacher who became a member prior to July 1, 2019, and who did not withdraw his or her accumulated contributions on or after July 1, 2019, shall be entitled to have all teaching service included in computing creditable service, notwithstanding breaks in membership of more than four years, provided that such teacher pays into the retirement system an amount equal to the minimum required for continuous members, plus regular interest that would have accrued on such contributions during periods of nonmembership. No member shall receive credit for teaching service if contributions were not made during the teaching service or have not later been contributed with interest that would have accrued on such contributions, provided that after three years' membership service a member may reestablish previous credits by paying into the retirement system, prior to retirement, contributions equal to 10 percent of such compensation as he received during those years and for which he desires to establish previous credit, plus regular interest that would have accrued on such contributions.

(b) Any teacher who first becomes a member on or after July 1, 2019, and who withdraws his or her accumulated contributions shall be eligible to purchase creditable service for his or her prior teaching service provided that he or she renders at least one year of membership service and pays into the retirement system an amount equal to the full actuarial cost associated with obtaining creditable service for such prior teaching service."

SECTION 6.

Said title is further amended by repealing Code Section 47-3-84.1, relating to certain former members of the system who have not withdrawn contributions.

SECTION 7.

Said title is further amended by repealing and reserving Code Section 47-3-86, relating to issuance of a prior service certificate, evidentiary effect of such certificate, and credit for prior service rendered by members who previously elected nonmembership.

SECTION 8.

Said title is further amended by repealing Code Section 47-3-87.1, relating to credit for service rendered in independent school system prior to, but not later than, June 30, 1979.

SECTION 9.

Said title is further amended by revising Code Section 47-3-88, relating to credit for service rendered to a local school system by persons who became members on or after April 1, 1966, and payments required in order to obtain such credit, as follows:

"47-3-88.

Any other provision of this or any other law to the contrary notwithstanding, in order for a teacher who becomes a member of the retirement system on or after April 1, 1966, to receive full creditable service for service rendered while a member of a local school system and before he or she became a member of the retirement system either such teacher, or the local board of education for which such service was rendered, or the local board of education by which the member is currently employed must pay the employee and employer contributions, plus regular interest. The board of trustees shall determine the amount to be paid, provided that in no case shall a member pay more than the total member and employer contributions and regular interest in effect at the time such service was rendered; provided, however, that an individual who first becomes a member on or after July 1, 2019, or who withdraws his or her accumulated contributions on or after July 1, 2019, shall be required to pay any remaining balance necessary to cover the full actuarial cost associated with obtaining such creditable service."

SECTION 10.

Said title is further amended by revising subsection (c) of Code Section 47-3-91, relating to credit for service for visiting scholars, as follows:

"(c) Any creditable service obtained pursuant to the authority of this Code section shall be subject to the following conditions and requirements:

(1) No more than two years of creditable service may be obtained under this Code section;

(2) No member who receives or who is or will become entitled to receive any annuity or pension or retirement benefit from any other source, except social security, shall be eligible to obtain creditable service under this Code section;

(3) No creditable service obtained under this Code section shall be applied to obtain creditable service under Code Section 47-3-89, and no person shall be entitled to obtain more than a total of ten years of creditable service pursuant to this Code section and Code Section 47-3-89; and

(4)(A) For an individual who became a member prior to July 1, 2019, the ~~The~~ member must pay employer and employee contributions which would have been paid to the retirement system during the period of time claimed as creditable service based on the member's earnable compensation at the time of making application for creditable service plus regular interest thereon compounded annually from the time the service as a visiting scholar was rendered until the date of payment; or

(B) For an individual who first becomes a member on or after July 1, 2019, or who withdraws his or her accumulated contributions on or after July 1, 2019, such member shall pay the full actuarial cost associated with obtaining such creditable service."

SECTION 11.

Said title is further amended by revising paragraph (6) of Code Section 47-6-70.1, relating to prior service credit for military service, as follows:

"(6)(A) For an individual who became a member prior to July 1, 2019, the ~~The~~ member must pay to the board of trustees the regular employee contribution of 7 1/2 percent of compensation based on the compensation received by members of the General Assembly during legislative sessions at the time the military service was rendered plus interest on such employee contributions at the rate of 7 percent per annum compounded annually from the time the military service was rendered until the date of payment.

(B) For an individual who first becomes a member on or after July 1, 2019, or who withdraws his or her accumulated contributions on or after July 1, 2019, such member shall pay to the board of trustees the full actuarial cost associated with obtaining such creditable service."

SECTION 12.

Said title is further amended by revising Code Section 47-16-80, relating to credit for prior service in the armed forces of the United States or as a peace officer relative to the Sheriffs' Retirement Fund of Georgia, as follows:

"47-16-80.

In addition to listing and claiming credit for prior services as a sheriff under paragraph (4) of Code Section 47-16-40, the applicant may elect to list and claim credit for service in the armed forces of the United States, not to exceed four years, and service as a peace officer other than as a sheriff, not to exceed four years, provided that he or she was employed during such period as a peace officer by the state, a municipality, or any other political subdivision of this state and was required by the terms of such employment, whether by election or appointment, to devote his or her full time to the duties of a peace officer. Upon approval or acceptance of such claims by the board, the applicant shall be credited with

such service as a basis for future contemplated retirement, provided that credit for such service shall be available only if the applicant shall have served as a sheriff for a minimum of eight years subsequent to December 31, 1960, and subsequent to periods of service for which credit under this Code section is claimed; provided, further, that amounts due under paragraph (5) of Code Section 47-16-40 have been paid for such periods for an individual who became a member prior to July 1, 2019, and for any other individual that he or she has paid the full actuarial cost associated with obtaining such creditable service."

SECTION 13.

Said title is further amended by revising subsection (c) of Code Section 47-16-81, relating to credit for prior service as sheriff, member of armed forces of the United States, or peace officer, notice, and amendment of application relative to the Sheriffs' Retirement Fund of Georgia, as follows:

"(c) At the time such member gives written notification to the secretary-treasurer, such member must also tender payment of all amounts due under paragraph (5) of Code Section 47-16-40 for the prior service listed in the amendment to his application for membership, together with interest on such amounts at 8 percent per annum from the date of acceptance of his original application for membership; provided, however, that an individual who first becomes a member on or after July 1, 2019, shall pay the full actuarial cost associated with obtaining such creditable service."

SECTION 14.

Said title is further amended by revising Code Section 47-16-82, relating to credit for prior service as a warden of a county correctional institution relative to the Sheriffs' Retirement Fund of Georgia, as follows:

"47-16-82.

Any member who has served as a sheriff for at least 12 years and who served as a warden of a county correctional institution for at least ten years prior to his or her service as a sheriff may, upon application to the board, receive four years of prior service credit for such service as a warden, provided that if such member first became a member on or after July 1, 2019, he or she shall pay the full actuarial cost associated with obtaining such creditable service."

SECTION 15.

Said title is further amended in Article 1 of Chapter 20, relating to general provisions of the Public Retirement Systems Standards Law, by adding a new Code section to read as follows:

306 "47-20-6.

307 (a) After July 1, 2019, no law, rule, or regulation shall pass that allows for any form of
308 creditable service in a retirement system that does not require the individual obtaining such
309 creditable service to pay to such retirement system an amount equal to the full actuarial
310 cost of obtaining such creditable service.

311 (b) Existing laws, rules, or regulations that allow for any form of creditable service in a
312 retirement system for an amount less than the full actuarial cost of obtaining such
313 creditable service shall only be amended in a manner that does not increase the actuarial
314 cost to such retirement system.

315 (c) This Code section shall not apply to creditable service in a retirement system that an
316 individual earned as a contributing member of such retirement system.

317 (d) This Code section shall not apply to or affect:

318 (1) The Georgia Municipal Employees Benefit System established in Chapter 5 of this
319 title; or

320 (2) Any local retirement system that is not a legislatively controlled retirement system."

321 **SECTION 16.**

322 All laws and parts of laws in conflict with this Act are repealed.